GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:6730
ANSWERED ON:10.05.2002
PROCUREMENT OF LEVY SUGAR
CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government procure a certain percentage of sugar at fixed price from the sugar mills in the form of levy;

(b) if so, the amount of sugar procured as levy sugar during each of the last three years;

(c) the total production of sugar in each of the above mentioned years; and

(d) the rate at which the Government procured the levy sugar alongwith the production cost of sugar in the above years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a): Yes, Sir.

(b)&(c): The sugar season is reckoned from October-September. Accordingly, the sugar production as also the accrual during the sugar seasons 1998-99, 1999-2000, 2000-2001 and 2001-2002 (upto 31.3.2002) is given below:

(in lakh tonnes)

S.No.	Season	Total Production	Accrual of levy sugar
1.	1998-99	154.52	45.30
2.	1999-2000	181.93	50.16
3.	2000-2001	184.21	37.53
4.	2001-2002 (upto 1.3.2002)	158.46 (P)	20.83 (upto June, 2002)

(d): The ex-factory levy sugar price/procurement price are fixed by the Central Government onthe zonal basis taking into account all relevant factors. Accordingly, the average levy sugar price/procurement price for the sugar seasons 1998-99, 1999-2000, 2000-2001 and 2001-2002 was Rs.1050.99 per qt., Rs.1110.71 per qtl, Rs.1165.79 per qt. and Rs.1191.72 per qt. respectively. The zone-wise cost of production of levy sugar is determined after taking into account the Statutory Minimum Price (SMP) notified for sugarcane, the manufacturing cost of sugar i.e. conversion cost, the duty of tax, if any, paid or payable thereon and a reasonable return on the capital employed. However, the mills are paying cane price(s) more than the SMP and therefore, the actual cost of production may be higher than the ex-factory levy sugar prices. Further, the actual cost of production of sugar, as incurred by various sugar mills, is not maintained by the Government.